

## Regulated Information

# X-FAB First Quarter 2022 Results

Intermediate declaration by the Board of Directors

Tessenderlo, Belgium – April 28, 2022, 07.00 a.m. CEST

## Highlights Q1 2022:

- › Revenue was USD 178.7 million, within the guidance of USD 175-185 million, up 15% year-on-year (YoY) and up 4% quarter-on-quarter (QoQ)
- › Continued strong demand with bookings at USD 239.3 million resulting in a book-to-bill ratio of 1.34
- › EBITDA margin of 23.0%, at the upper end of the 19-23% guidance
- › EBITDA was USD 41.0 million, up 15% YoY and up 21% QoQ
- › EBIT was USD 22.2 million, up 31% YoY and up 57% QoQ

## Outlook:

- › Q2 2022 revenue is expected to be in the range of USD 180-190 million with an EBITDA margin in the range of 20-24%. This guidance is based on an average exchange rate of 1.10 USD/Euro.
- › Management reiterates its full-year guidance with revenues in the range of USD 750-815 million and an EBITDA margin in the range of 21-25%.
- › Based on accelerated market development, X-FAB adjusts the long-term guidance and expects to reach USD 1 billion in annual revenues two years earlier than the originally planned 2026 indicated at the X-FAB Investor Day in May 2021. The corresponding EBITDA margin guidance has been raised to >30% (previously >27%).

## Revenue breakdown per quarter:

in millions of USD	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q1 y-o-y growth
Automotive	61.6	40.8	65.4	83.5	82.8	81.5	83.8	89.7	7%
Industrial	23.9	23.9	27.3	32.4	35.2	38.3	39.7	41.4	28%
Medical	7.3	7.7	12.0	8.7	10.4	14.3	14.5	13.7	59%
Subtotal core business	92.7	72.3	104.7	124.6	128.4	134.1	138.0	144.9	16%
	78.1%	75.2%	77.1%	80.1%	79.8%	79.3%	80.1%	81.1%	
CCC <sup>1</sup>	25.9	23.7	30.9	30.6	32.4	34.7	34.0	32.5	6%
Others	0.2	0.1	0.3	0.3	0.1	0.3	0.3	1.2	
<b>Total revenues</b>	<b>118.8</b>	<b>96.1</b>	<b>135.9</b>	<b>155.4</b>	<b>161.0</b>	<b>169.1</b>	<b>172.3</b>	<b>178.7</b>	<b>15%</b>

<sup>1</sup> Consumer, Communications & Computer



in millions of USD	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q1 y-o-y growth
CMOS	103.4	81.1	115.0	134.9	137.5	141.8	144.2	148.6	10%
MEMS	10.4	9.8	14.6	14.4	16.2	17.4	17.5	17.9	24%
Silicon carbide	5.0	5.2	6.3	6.1	7.2	9.9	10.6	12.1	99%
<b>Total revenues</b>	<b>118.8</b>	<b>96.1</b>	<b>135.9</b>	<b>155.4</b>	<b>161.0</b>	<b>169.1</b>	<b>172.3</b>	<b>178.7</b>	<b>15%</b>

## Business development

In the first quarter of 2022, business continued to develop strongly. X-FAB recorded quarterly revenues of USD 178.7 million, within the guided USD 175-185 million, up 15% year-on-year and 4% quarter-on-quarter. Although slightly down compared to the previous quarter, first quarter bookings remained at an exceptionally high level at USD 239.3 million, up 13% year-on-year.

X-FAB is uniquely positioned as it focuses on specialty technologies tailored to serve the automotive, industrial, and medical markets. First quarter revenues in those core markets amounted to USD 144.9 million, up 16% year-on-year and 5% quarter-on-quarter. Together they accounted for 81% of the Group's total revenues.

First quarter highlights include record prototyping revenues in automotive as well as all-time high volume production revenues in Industrial and Medical. Overall, Medical recorded the strongest revenue growth, up 59% year-on-year, while Automotive and Industrial rose 7% and 28% year-on-year respectively.

First quarter CCC (Consumer, Communication & Computer) revenues came in at USD 32.5 million, up 6% year-on-year.

The pipeline for new projects is solid reflecting continued strong prototyping revenues in the first quarter, which amounted to USD 24.6 million, up 30% growth year-on-year.

The accelerating transition to green energy and mobility is driving the demand for X-FAB's silicon carbide (SiC) technology and other supporting applications, spurring growth in Industrial and Automotive. First quarter SiC revenues almost doubled compared to the same quarter last year and reached USD 12.1 million.

X-FAB's medical business continues to grow in line with the increasing importance of digital healthcare covering point-of-care diagnostics, personalized medicine or telemedicine. As in previous quarters, lab-on-a-chip applications continued to be the main growth driver for Medical. They require the combination of CMOS and MEMS technologies, which X-FAB offers jointly, making it a clear differentiator and a key advantage for customers in developing highly complex lab-on-a-chip devices.



First quarter MEMS revenues, which X-FAB generates across all its end markets, amounted to USD 17.9 million, up 24% year-on-year. Lab-on-a-chip applications as well as contactless temperature sensors were the main growth drivers.

In the first quarter, as order intake remained exceptionally strong, capacity allocation had to be continued while every effort was made to supply customers with the quantities required to avoid supply chain disruptions. At the same time, the ramp-up of X-FAB technologies at X-FAB France progressed well and contributed positively to first quarter revenue growth. The share of the French site's revenues based on X-FAB technologies reached 42% in the first quarter. While demand for X-FAB's RF SOI technology weakened, X-FAB France's automotive revenues, in particular in the highly demanded 180nm automotive technology, went up significantly, representing the main share of the overall automotive growth in the first quarter.

**Prototyping and production revenue per quarter and end market:**

in millions of USD	Revenue	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q1 y-o-y growth
Automotive	Prototyping	3.2	3.0	3.5	3.6	5.0	57%
	Production	80.4	79.8	78.0	80.2	84.8	5%
Industrial	Prototyping	9.0	10.3	12.9	11.5	11.0	22%
	Production	23.3	24.9	25.4	28.2	30.4	30%
Medical	Prototyping	2.2	2.9	4.1	4.0	3.1	38%
	Production	6.4	7.5	10.2	10.6	10.7	66%
CCC	Prototyping	4.3	4.1	4.8	4.5	4.3	2%
	Production	26.3	28.3	29.9	29.5	28.2	7%

**Operations update**

In the first quarter, X-FAB's factories continued to run at high load. With continued high demand, increasing productivity and removing production bottlenecks at all sites remained key priorities and a major operational focus throughout the quarter. Multiple new tools ordered in 2021 were delivered this quarter with installation and qualification activities ongoing. Each new tool becoming operational will contribute positively to productivity gains.

Labor markets remained tight in all regions and strong focus has been placed on recruiting and employer marketing activities to ensure there are sufficient staff available to handle the high workload in the fabs. The German sites also suffered from an increased absence rate as a result of Covid-19 quarantines.

In light of the current volatility of global supply chains and even more so to support the Group's future growth, X-FAB is closely monitoring the supply situation, taking appropriate measures to mitigate any supply



risks. This includes the qualification of second and third source suppliers as well as geographical diversification. To date, X-FAB has not been impacted by supply bottlenecks.

Demand for X-FAB's SiC technologies further accelerated with bookings in the first quarter reaching USD 21.4 million, up 149% year-on-year and 26% quarter-on-quarter. Major initiatives include the expansion of capacity for SiC processing as well as SiC epitaxy, while X-FAB also made progress in streamlining the onboarding process for new customers. The development of standard SiC process blocks is helping to speed up technology releases and reduces time-to-market. Customer interest remains high and the pipeline for new projects remains strong.

Capital expenditures increased significantly to USD 48.8 million during the first quarter, reflecting equipment orders from 2021 which were delivered during Q1 2022. Full-year capital expenditures are expected to come in at approx. USD 200 million. X-FAB is expanding its capacities across all sites in response to accelerated demand as well as expected long-term growth.

### **Financial update**

First quarter EBITDA was USD 41.0 million with an EBITDA margin of 23.0%, at the upper end of the guided 19-23%. Top line growth contributed positively to profitability as did the substantial increase of unfinished and finished goods inventory, which amounted to USD 12.4 million in the first quarter. On the other hand, cost inflation as well as rising depreciations resulting from the Group's capacity expansion projects put pressure on margins. In order to compensate for this effect, X-FAB is in the process of increasing pricing accordingly.

Cash and cash equivalents at the end of the first quarter amounted to USD 259.3 million, a decrease of 11% compared to the previous quarter end. In the fourth quarter 2021, X-FAB had drawn funds in the amount of USD 77.8 million from its revolving credit line. These were used in the first quarter to cover capex payments for new equipment deliveries.

Euro-denominated sales share came in at 40% during the first quarter, in line with the level of costs incurred in Euro. The actual US-Dollar/Euro exchange rate for the first quarter of 2022 was 1.12 leading to an EBITDA margin of 23.0%. At a constant exchange rate of 1.21, as experienced in the first quarter 2021, the EBITDA margin would have been 22.8%. This demonstrates that the achieved natural hedging of the business has made X-FAB's profitability development robust against exchange rate fluctuations.

### **Management comments**

Rudi De Winter, CEO of X-FAB Group, said: "In the first quarter we saw a continuation of strong market trends and exceptionally high bookings reflecting how well X-FAB is strategically positioned. With our automotive, industrial, and medical businesses, we are serving the strongest growing end markets, and our technology



portfolio enables much needed innovative solutions, especially for the accelerating transition towards green energy and cleaner transportation. Despite the manifold challenges arising from geopolitical conflicts and tight supply chains, I am very excited about X-FAB's growth prospects and see us well on track for sustainable success, which is also why we have adjusted X-FAB's long-term guidance upwards."

### **X-FAB Quarterly Conference Call**

X-FAB's first quarter results will be discussed in a live conference call on Thursday, April 28, 2022, at 6.30 p.m. CEST. The conference call will be in English. Please register in advance of the conference using the following link: <http://emea.directeventreg.com/registration/8344839>.

Upon registering, you will be provided with participant dial-in numbers, Direct Event passcode and a unique registrant ID. In the 10 minutes prior to the call, you will need to use the conference access information provided in the email received at the point of registering.

The conference call will be available for replay from April 28, 2022, 11.30 p.m. CEST until May 5, 2022, 11.30 p.m. CEST. The replay number will be +44 (0) 3333009785, conference ID 8344839.

The second quarter 2022 results will be communicated on July 28, 2022.

### **About X-FAB**

X-FAB is the leading analog/mixed-signal and MEMS foundry group manufacturing silicon wafers for automotive, industrial, consumer, medical and other applications. Its customers worldwide benefit from the highest quality standards, manufacturing excellence and innovative solutions by using X-FAB's modular CMOS processes in geometries ranging from 1.0 to 0.13  $\mu\text{m}$ , and its special silicon carbide and MEMS long-lifetime processes. X-FAB's analog-digital integrated circuits (mixed-signal ICs), sensors and micro-electro-mechanical systems (MEMS) are manufactured at six production facilities in Germany, France, Malaysia and the U.S. X-FAB employs approx. 4,000 people worldwide. For more information, please visit [www.xfab.com](http://www.xfab.com).

### **X-FAB Press Contact**

Uta Steinbrecher  
Investor Relations  
X-FAB Silicon Foundries  
+49-361-427-6489  
[uta.steinbrecher@xfab.com](mailto:uta.steinbrecher@xfab.com)

### **Forward-looking information**

This press release may include forward-looking statements. Forward-looking statements are statements regarding or based upon our management's current intentions, beliefs or expectations relating to, among other things, X-FAB's future results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein.



Forward-looking statements contained in this press release regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless legally required. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this press release.

The information contained in this press release is subject to change without notice. No re-report or warranty, express or implied, is made as to the fairness, accuracy, reasonableness, or completeness of the information contained herein and no reliance should be placed on it.

## Condensed Consolidated Statement of Profit and Loss

in thousands of USD	Quarter ended 31 Mar 2022 unaudited	Quarter ended 31 Mar 2021 unaudited	Quarter ended 31 Dec 2021 unaudited	Year ended 31 Dec 2021 audited
Revenue	178,664	155,420	172,279	657,751
Revenues in USD in %	59	67	59	63
Revenues in EUR in %	40	33	41	37
Cost of sales	-135,422	-120,419	-138,351	-507,773
<b>Gross Profit</b>	<b>43,241</b>	<b>35,001</b>	<b>33,928</b>	<b>149,978</b>
<i>Gross Profit margin in %</i>	<i>24.2</i>	<i>22.5</i>	<i>19.7</i>	<i>22.8</i>
Research and development expenses	-10,759	-8,482	-9,383	-34,308
Selling expenses	-2,149	-2,119	-1,922	-8,017
General and administrative expenses	-8,732	-8,150	-8,651	-32,771
Rental income and expenses from investment properties	292	627	181	1,898
Other income and other expenses	331	155	38	412
<b>Operating profit</b>	<b>22,223</b>	<b>17,032</b>	<b>14,192</b>	<b>77,192</b>
Finance income	7,092	4,283	3,196	16,115
Finance costs	-8,490	-7,167	-4,143	-20,441
<b>Net financial result</b>	<b>-1,398</b>	<b>-2,884</b>	<b>-947</b>	<b>-4,326</b>
<b>Profit before tax</b>	<b>20,825</b>	<b>14,148</b>	<b>13,245</b>	<b>72,866</b>
Income tax	-1,450	-1,374	9,083	10,774
<b>Profit for the period</b>	<b>19,375</b>	<b>12,775</b>	<b>22,327</b>	<b>83,640</b>
Operating profit (EBIT)	22,223	17,032	14,192	77,192
Depreciation	18,808	18,551	19,748	76,093
<b>EBITDA</b>	<b>41,031</b>	<b>35,583</b>	<b>33,940</b>	<b>153,286</b>
<i>EBITDA margin in %</i>	<i>23.0</i>	<i>22.9</i>	<i>19.7</i>	<i>23.3</i>
<b>Earnings per share at the end of period</b>	<b>0.15</b>	<b>0.10</b>	<b>0.17</b>	<b>0.64</b>
Weighted average number of shares	130,631,921	130,631,921	130,631,921	130,631,921
EUR/USD average exchange rate	1.12305	1.20617	1.14382	1.18331

Amounts in the financial tables provided in this press release are rounded to the nearest thousand except when otherwise indicated, rounding differences may occur.

## Condensed Consolidated Statement of Financial Position

in thousands of USD	Quarter ended 31 Mar 2022 unaudited	Quarter ended 31 Mar 2021 unaudited	Year ended 31 Dec 2021 audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	368,674	328,469	340,670
Investment properties	8,158	8,411	8,310
Intangible assets	5,018	4,522	4,034
Other non-current assets	18	58	28
Deferred tax assets	45,528	30,359	45,645
<b>Total non-current assets</b>	<b>427,397</b>	<b>371,819</b>	<b>398,687</b>
<b>Current assets</b>			
Inventories	195,362	156,180	181,014
Trade and other receivables	74,999	66,121	73,689
Other assets	48,654	43,361	43,354
Cash and cash equivalents	259,271	195,810	290,187
<b>Total current assets</b>	<b>578,286</b>	<b>461,471</b>	<b>588,244</b>
<b>TOTAL ASSETS</b>	<b>1,005,683</b>	<b>833,290</b>	<b>986,931</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	432,745	432,745	432,745
Share premium	348,709	348,709	348,709
Retained earnings	-16,780	-107,858	-36,154
Cumulative translation adjustment	-607	-622	-559
Treasury shares	-770	-770	-770
<b>Total equity attributable to equity holders of the parent</b>	<b>763,297</b>	<b>672,204</b>	<b>743,971</b>
Non-controlling interests	355	344	365
<b>Total equity</b>	<b>763,652</b>	<b>672,548</b>	<b>744,335</b>
<b>Non-current liabilities</b>			
Non-current loans and borrowings	36,877	40,842	39,917
Other non-current liabilities and provisions	5,685	4,179	5,686
<b>Total non-current liabilities</b>	<b>42,562</b>	<b>45,021</b>	<b>45,602</b>
<b>Current liabilities</b>			
Trade payables	37,132	27,501	41,364
Current loans and borrowings	93,030	24,890	87,114
Other current liabilities and provisions	69,308	63,331	68,515
<b>Total current liabilities</b>	<b>199,470</b>	<b>115,721</b>	<b>196,993</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,005,683</b>	<b>833,290</b>	<b>986,931</b>

## Condensed Consolidated Statement of Cash Flow

in thousands of USD	Quarter ended 31 Mar 2022 unaudited	Quarter ended 31 Mar 2021 unaudited	Quarter ended 31 Dec 2021 unaudited	Year ended 31 Dec 2021 audited
<b>Income before taxes</b>	<b>20,825</b>	<b>14,148</b>	<b>13,245</b>	<b>72,866</b>
<b>Reconciliation of net income to cash flow arising from operating activities:</b>	<b>20,944</b>	<b>21,592</b>	<b>18,518</b>	<b>70,319</b>
Depreciation and amortization, before effect of grants and subsidies	18,808	18,551	19,748	76,093
Recognized investment grants and subsidies netted with depreciation and amortization	-874	-841	-991	-3,530
Interest income and expenses (net)	183	-122	203	-176
Loss/(gain) on the sale of plant, property, and equipment (net)	-158	-112	37	-275
Other non-cash transactions (net)	2,985	4,116	-480	-1,793
<b>Changes in working capital:</b>	<b>-32,183</b>	<b>-20,195</b>	<b>-14,079</b>	<b>-31,573</b>
Decrease/(increase) of trade receivables	-8,637	-11,293	1,027	-9,769
Decrease/(increase) of other receivables & prepaid expenses	-5,799	-5,499	-3,222	-4,034
Decrease/(increase) of inventories	-14,349	-2,469	-8,454	-27,302
(Decrease)/increase of trade payables	-2,014	526	301	5,146
(Decrease)/increase of other liabilities	-1,384	-1,460	-3,731	4,386
<b>Income taxes (paid)/received</b>	<b>-107</b>	<b>-1,733</b>	<b>-134</b>	<b>-2,101</b>
<b>Cash Flow from operating activities</b>	<b>9,479</b>	<b>13,812</b>	<b>17,549</b>	<b>109,511</b>
<b>Cash Flow from investing activities:</b>				
Payments for property, plant, equipment & intangible assets	-48,847	-9,702	-21,122	-66,972
Payments for loan investments to related parties	-114	-91	-626	-827
Proceeds from loan investments related parties	98	80	45	211
Proceeds from sale of property, plant, and equipment	164	117	220	669
Interest received	237	471	380	1,769
<b>Cash Flow used in investing activities</b>	<b>-48,462</b>	<b>-9,125</b>	<b>-21,104</b>	<b>-65,149</b>

### Condensed Consolidated Statement of Cash Flow – con't

in thousands of USD	Quarter ended 31 Mar 2022 unaudited	Quarter ended 31 Mar 2021 unaudited	Quarter ended 31 Dec 2021 unaudited	Year ended 31 Dec 2021 audited
<b>Cash Flow from (used in) financing activities:</b>				
Proceeds from loans and borrowings	7,261	0	77,796	82,585
Repayment of loans and borrowings	-2,803	-7,619	-7,807	-28,218
Receipts of sale & leaseback arrangements	7,723	0	0	0
Payments of lease installments	-1,759	-1,174	-1,057	-5,094
Receipt of government grants and subsidies	0	0	535	535
Interest paid	-139	-348	-558	-1,569
Distribution to non-controlling interests	-11	-12	0	-12
<b>Cash Flow from (used in) financing activities</b>	<b>10,271</b>	<b>-9,153</b>	<b>68,908</b>	<b>48,228</b>
Effect of changes in foreign currency exchange rates on cash	-2,205	-5,591	-1,180	-8,269
Increase/(decrease) of cash and cash equivalents	-28,712	-4,466	65,354	92,589
Cash and cash equivalents at the beginning of the period	290,187	205,867	226,013	205,867
<b>Cash and cash equivalents at the end of the period</b>	<b>259,271</b>	<b>195,810</b>	<b>290,187</b>	<b>290,187</b>

###